

August 8, 2005

Secretary of Agriculture Mike Johanns

As a small family farm operator, I'd like to express my concerns and ideas on past and future farm programs. However, it seems large operations and those with political influence are the only ones whose input is considered.

First of all, I feel family farms would have fared better without any farm programs. At the start of these programs, only feed grain acres were used to establish base acres. Most family farms were diversified - having pastureland and other conservation acres, plus livestock. This saddled them with a small feed grain base with very little in the way of government payments. So essentially these farm bills were really feed grain programs in nature.

Their original purpose was to curb overproduction to increase prices so in effect those who were causing the surplus and low prices were rewarded with the most government assistance. This escalated with future farm programs, with no sensible payment limits, and even those made a farce of by the triple entity rule and commodity certificates. This process made it impossible for smaller family farms to compete and eventually hurt rural towns as well. This last farm bill was the final straw, a guaranteed price on total production led to the escalating land and cash rental prices, every bit of government payments used to accommodate these increases. It should be evident by now that a guaranteed price on total production will always lead to overproduction and still lower commodity prices.

It has led to the unbelievable removal of trees and development of marginal ground and pastureland to plant feed grains causing more of a surplus and lower prices. It makes no sense for these runaway land and cash rental prices when you examine the price of feed grains, other than government payments are responsible. Farm programs should have treated all farm ground with some sort of government payments. This would have limited the desire to develop marginal ground as well as helped preserve conservation acres.

As a new farm bill is debated it should be imperative that much lower payment limits be established as well as abolishing the triple entity rule and commodity certificate. Part of these payment limits could be addressed by limiting government payments on only a certain amount of production and the rest to be sold on the open market. This would limit the desire to overproduce as now producers keep developing more land and plant for the highest yields possible since there is no limit on the guaranteed price. Some sort of payment on all farmland would help in preserving conservation acres and benefit all producers, small as well as large.

It would also be desirable to adopt some type of program similar to crop insurance. It seems unethical to award producers unlimited assistance on all production under ideal conditions without any cost to them, while those subject to crop failures are forced to pay for their protection that only covers part of what they produce. Mandatory insurance of this type should be required of all producers to be eligible for programs in order to protect their investment instead of receiving subsidies free of any expense which borders on welfare.

If it has not already done so, continuation of this present farm program would end all hopes of beginning farmers to get a start as well as family farms to continue.

Sincerely,

Joe Reestman
Joe Reestman

83926 527th Ave
Oakdale, NE 68761

Harvest outlook up

Eight percent of the nation's farmers, according to U.S. Agriculture Secretary Mike Johanns, receive 78 percent of the federal government's farm subsidies.

That's the picture of a well-meaning government policy gone stale.

And yet, in the face of political opposition, the Bush administration has retreated from its plans to parlay cuts in farm spending into deficit-reduction progress. Gone are proposals to reduce the handouts, lower the cap for big-money recipients and cut all recipients by 5 percent.

This retreat can only solidify any concerns that federal fiscal policies are increasingly divorced from reality and driven instead by political inertia.

Republicans once had the courage to present the Freedom to Farm concept. Now they wither in the face of recipient squawking.

Past editorials in this space have examined the pragmatic thinking that led to the creation of farm payments in the 1930s as a means of supporting commodity prices and providing stability to rural America during times of drought and depression.

The concept has little relationship to today's mechanized agriculture. Many of the farmers who contributed the most to rural stability — family men and family women, active in their communities, stewards of the land and passers-on of these qualities to their children — are long gone. Many of those who remain on the land are part of the 92 percent of the farm population receiving the

Crop failure seems less likely for the commodity above all others: federal cash.

leavings from the subsidy barrel.

President Bush and Johanns wanted to put a \$250,000 limit on the amount that one farm could receive each year, down from the

current \$360,000.

What possible harm, the taxpayers might ask, could the lowering of that cap for the biggest producers cause in rural America? If the biggest farms aren't able to survive on a quarter-million-dollar infusion of charity each year, they shouldn't be in business.

The big operators should be clamoring for the lower cap out of patriotism and a sense of fiscal responsibility.

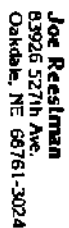
This sorry spectacle suggests that the time is quickly passing in which anything resembling the current subsidy structure can be justified.

Yes, enact the caps for the biggest farming companies. But Bush and Johanns could do a far more lasting service by initiating a debate on exactly why we should have any kind of subsidy program.

They could attempt to define how any future program could be structured to achieve socially and economically desirable purposes — without enriching the wealthy, subsidizing the inefficient and slighting the great mass of ordinary family farmers.

Farmers often lament the decline of their voice in Congress. But if even a lobby as allegedly weak as agriculture can defeat such an obviously needed economy measure — in a Republican era, of all things — what hope remains for fiscal sanity in the rest of the federal budget?

This article was taken from the Omaha World-Herald's commentary page on April 14, 2005. I feel it says everything that needs to be said about farm programs and ensuing subsidies. This should be available to everyone involved with devising a new farm bill.



2005 AUG 16 A 10: 07

COPIES:

Secretary of Agriculture
Mike Johanns Farm Bill

1400 Independence Avenue SW

Washington, D.C. 20250-3355

[illegible]